



SOUTH TIMNATH  
METRO DISTRICT

**RECORD OF PROCEEDINGS  
MINUTES OF THE JOINT ORGANIZATIONAL MEETING  
OF THE BOARDS OF DIRECTORS OF  
SOUTH TIMNATH METROPOLITAN DISTRICT No's. 1 & 2**

**HELD:** Thursday, November 08, 2018, at 10:30 a.m. at 6000 Summerfields Parkway, Timnath, CO 80547.

**ATTENDANCE:**

The joint organizational meeting of the Boards of Directors of the South Timnath Metropolitan District Nos. 1 & 2 (collectively, the "Board") was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting: Michael J. DiTullio, Jennifer DiTullio, Dino A. DiTullio, Kara DiTullio. Kevin Walker was absent. Guy Johnson, Jackie Johnson from the District and numerous homeowners, please see attendance sheet in the Meeting Notebook as to homeowners that were present. David S. O'Leary of Spencer Fane LLP was in attendance by phone.

**CALL TO ORDER:**

Dino DiTullio called the meeting to order at 10:31 a.m.

**QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE:**

Mr. Johnson reported that all of the Board members are registered to vote in Colorado and are residents and/or owners of taxable real or personal property within the Districts. Mr. Johnson informed the Board that the official bonds for the board members had been obtained through a bonding company and/or through our Insurance pool and that all of the Board members had been administered the Oaths of Office. Thereupon, the directors assumed their duties as members of the Board of Directors.

**DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:**

Mr. Johnson discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and with the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

**DISCUSSION OF OPEN MEETING REQUIREMENTS/POSTING REQUIREMENTS:**

Mr. Johnson discussed the open meeting requirements and the posting requirements for the Districts, noting that any non-social meeting of three or more of the directors constituted an official meeting, and that notice of a meeting for the Districts is to be (1) provided to each Board member, and (2) posted in at least three public places within the Districts at least 72 hours in advance of the meeting, and (3) at the same time, a copy of such notice is to be posted at the office of the County Clerk and Recorder; 72 hours in advance of the meeting, not any sooner per County Clerk. If possible, the posting should include specific agenda information. Mr. Johnson further noted that notice of this joint organizational meeting had been so posted.

**APPROVAL OF AGENDA:**

The Board reviewed the agenda, after review of the agenda Dino DiTullio made a motion to switch agenda items number 12 f & g.

Upon motion was made by Dino DiTullio and seconded by Mike DiTullio and unanimously carried to approve the agenda with the changes of agenda item number 12 f & g.

**APPROVAL OF MINUTES:**

The meeting minutes of March 08, 2018 meeting was presented and discussed,

Upon motion made by Dino DiTullio and seconded by Mike DiTullio and unanimously carried to approve the meeting minutes of March 08, 2018.

**PUBLIC COMMENTS:** At this time Dino DiTullio, opened and acknowledged Public Comment portion of the meeting, Dino DiTullio asked that if the resident had questions or concerned in reference to the potential Operation & Maintenance Increase that was on the agenda as item 12g to please hold those questions and/or comments until the Public hearing of the 2019 Budget, this would allow the District to conduct the necessary agenda items (housekeeping items) that needed to be attended. However, he would be willing to answer any questions or concerns in reference to anything else on the agenda.

with no further Public comments Dino DiTullio thanked the residents for their patience to discuss the potential increase and closed this portion of the meeting.

**APPROVAL & RATIFICATION OF THE RESOLUTION FOR POSTING LOCATIONS:**

Mr. Johnson presented a Resolution for the Posting Location with no changes,

Following discussion and upon motion duly made by Dino DiTullio, seconded by Mike DiTullio and unanimously carried, the Board approved the Resolution of Posting Locations.

**APPROVAL & RATIFICATION OF THE EXECUTION OF LOAN/REFINANCING/ADDITIONAL DRAW DOCUMENTS:**

Mr. Johnson opened the discuss with the Board that Bond counsel had suggested that for future bond/refinancing/additional draws and locking of any interest rate, that the board approve the district to obtain and make agreements that are needed to do such actions,

Upon motion was made by Dino DiTullio and seconded by Mike DiTullio to Approve & Ratification the Execution of certain documents and certificates deemed necessary or convenient in connection with such Additional Loans/Bonds/Refinancing/Draws; making determinations and findings as to matters related to such transactions; Authorizing incidental actions; and repealing prior inconsistent actions for the extension of existing Loan Authorization or for new Loans/Bonds/Refinancing/Draws to November 08, 2019 and Consider Approval for District to Approve Interest Rate lock when and if needed.

**COMMUNITY CENTER/POOL RATES AND SCHEDULE:**

Guy Johnson presented the cost split of the Community Center/Pool with SWTMD. Mr. Johnson also presented the need for the FOB Disconnect and Re-connect fee for outstanding O & M fees, covenant violations, and Mr. Johnson presented the need for Out of District rental fees and governmental agency rental fees.

Upon motion duly made by Dino DiTullio and seconded by Kara DiTullio and unanimously carried, the Board approve the Resolutions for cost split of the Community Center/Pool with SWTMD, at roughly \$170.00 per lot (197 lots) for a total due to STMD of \$33,490.00 and FOB Disconnect and Re-connect fee of \$25.00 and Out of District room rental fees of \$80.00 per hour with a minimum of 3 hours, and no charge of governmental agency room rentals. (Governmental agencies are Federal Government, State, County, Cities, Towns, Districts)

**RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2019:**

Mr. Johnson presented a Resolution Concerning Annual Administrative Matters for 2019 for the Districts.

Upon motion duly made by Dino DiTullio and seconded by Jennifer DiTullio and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2019, including: the contact person (s) for the District; the designated posting location (s) for the District; and the location for meetings of the Board of Directors.

**TRANSPARENCY NOTICES:**

Mr. Johnson presented the Transparency Notices and discussed that these will need to be posted on the District's website on or before January 15, 2019. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law. After further discussion on the matters and;

**EXCLUSION OF WORKERS COMPENSATION INSURANCE:**

Mr. Johnson noted that it was time to renew the Resolution for the Board to be excluded from Worker's Compensation, if the Board elects to continue not having worker's compensation coverage for the board members. After further discussion on the matters and;

Upon motion duly made by Dino DiTullio and seconded by Kara DiTullio and unanimously carried to approve the Resolution to Exclude the Board from Worker's Compensation Insurance and to file the Resolution along with the State of Colorado Worker's Compensation Exclusion form with the appropriate parties, and unanimously carried,

**APPROVAL OF 2019 DISTRICT SERVICE AGREEMENTS:**

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Pool Management, Landscape Maintenance Agreements, Annual Audit and Exemption Agreements, Internet and Phone contracts and Engagement of District Counsel to the Board of Directors. Mr. Johnson discussed the renewal and/or engagement of service providers for the District and reviewed the proposed costs and expenditures related to these service agreements with the Board. Mr. Johnson stated the he was waiting on one bid for the maintenance work, which included Tract M that was to be on its own agreement and this contractor had included in the over all bid, therefore, he wanted to give them the opportunity to make the correction, however, he would like the Board to approve him to select a contractor once all bids were turned in.

Upon motion duly made by Dino DiTullio and second by Kara DiTullio and unanimously carried to approve the District service agreements for District Management, Pool Management, Maintenance, Annual Audit and Exemption Agreement, Internet and Phone contracts and District Counsel. Also, authorized Guy Johnson to finalize any negotiations and execution of the Maintenance service agreements for 2019.

**AUDIT AND AUDIT EXEMPTION:**

Mr. Johnson reviewed with the Board preparing for the 2018 audits and/or exemptions. Mr. Johnson stated that both STMD #1 and STMD #2 would be audited due to #1 was the operating district and #2 held the bond.

Upon motion duly made by Dino DiTullio and seconded by Mike DiTullio and unanimously carried to authorize Mr. Johnson to prepare for 2018 audits and to take such further action as necessary to complete and file these documents with the necessary state agencies.



**PAYABLE:**

Mr. Johnson reviewed with the Board the expenditures for March 2018 through October 2018 for a grand total of \$1,317,250.94, After further discussion on the matters and;

Upon motion duly made by Dino DiTullio, seconded by Jennifer DiTullio and unanimously carried; the Board approved the payable for March 2018 through October 2018 for a grand total of \$1,317,250.94.

**PUBLIC HEARING FOR 2018 AMENDED BUDGET:**

Mr. Johnson stated the Districts would not need to amend the 2018 Budget, this was placed in the agenda to assure that if at the time of the November 8, 2018 meeting any unforeseen issues occurred, the board would have the opportunity to amend the 2018 budget without holding another meeting.

**2019 BUDGET HEARING:**

Upon motion made by Dino DiTullio, seconded by Mike DiTullio and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2019 for South Timnath Metropolitan District Nos. 1 & 2. Mr. Johnson reported that notice of the public hearing had been published in accordance with statutory requirements. Mr. Johnson presented the proposed 2019 budgets to the Board. At this time Dino DiTullio stated that the Board was considering an Operation & Maintenance fee increase of \$100, which would make the O & M fees \$1,000.00 yearly, \$250.00 quarterly to be put in the general operating budget. This increase into the general budgets would cover all operations cost including covering the Fort Collins Loveland Water Districts Rate increase of 43%-46%. Mr. DiTullio asked of there was and public comment on this at this time,

The Board recognized Clifford & Leah Buchholz of 5634 Quarry St. Mr. Buchholz asked what was the number of homes that was in the district, would the increase affect all the lots/homes even the lots not built on, and if the district had rain sensors installed, he felt that the irrigation runs sometimes to soon after a rain. Mr. Buchholz was curious if Folsom would ever go through to Cty Rd 13.

Bryan Voronin who was previously on the Town Board who was in attendance of the meeting was asked to answer Cliffs question on CR 13. Bryan Voronin stated if it happened it would be 10/13 years down the road, but also depending if current landowner ever sold property. Mr. Buchholtz laughed and asked if we knew how old he would be in 10/13 years and someone would have to drive him down that road.

To answer Clifford & Leah Buchholz other questions, Mr. Dino DiTullio stated that there are 652 lots that do pay the O and M fees currently and these lots will pay the increased O and M fee rates. As for the 106 unimproved lots (lots without homes) these lots would not be included in the O and M fee increase. But Mr. DiTullio noted the developer does pay once a year fee of \$300.00 per undeveloped platted lot. Mr. Johnson stated that rain sensors are installed however, they are set at ¾" rain fall and may need to be adjusted.

The Board recognized Julie Marks of 5865 Quarry St., she stated she was disappointed of the turn out for the election of the water board earlier in the year where she felt something could have been done to reduce the Fort Collins Loveland Water District Water Rate increase and was disappointed in the resident turn out for today's meeting, where the District is discussing the potential O and M fee increase. Ms. Marks stated she understood the reasoning for the increase and was happily surprised that it was not more. Mr. Dino DiTullio asked if anyone would be interested in going to monthly invoicing. Mr. Johnson stated that monthly invoicing would be costly, the district does have on-line payments set up now and that did cut down on printing and mailing cost.

The Board recognized Bryan Voronin of 5644 Red Bridge Drive, Mr. Voronin asked how many unimproved lots are there and what is the cost to the developer for those lots. Mr. Johnson stated that there are 106 unimproved platted lots and that the developer pays \$300.00 per lot, per year for a total of \$31,800.00

The Board recognized Loretta Baker of 6790 Duncan Court, asked what the process of putting Non-potable irrigation system to replace the FCLWD, could landscaping of the entrances have more perennials, and maybe have volunteers for the maintenance of the flower gardens to save money. Mr. Dino DiTullio stated that placing a Non-potable water irrigation system in at this time would be quite costly (multi-

thousands of dollars) to remove existing system and then replacing with a non-potable irrigation system with no rebate from Fort Collins-Loveland Water District. Volunteering, Mr. DiTullio stated he appreciated her efforts to volunteer to keep cost lower, however, that type of volunteering would not keep the water cost down. Mr. Johnson had looked into having more perennials placed in the entrance beds a few years back, but perennials were more costly in maintenance, because once perennials are placed you must remove weeds and annuals by hands that are around the perennials to keep from damaging the perennials and the flower contractors felt that there would still be a lose of at least 30% of the bulbs, due to perennials did not like to be disturbed once placed. But we do have a few perennials in all the beds now.

Mr. Dino DiTullio wanted to state that the Board would need to discuss in October of 2019 for the 2020 Budget and if there would be need to have an additional Operation & Maintenance fee rate increase due to any other cost passed on by Fort Collins-Loveland Water District rate increase impact.

With no more discussion, the public hearing was closed by Dino DiTullio and seconded by Jennifer DiTullio and unanimously carried.

#### **APPROVAL & RATIFICATION OF INCREASE OF OPERATIONS & MAINTENANCE FEES:**

Upon motion duly made by Dino DiTullio and by seconded Jennifer DiTullio and unanimously carried, the Board approved to increase the Operation and Maintenance fee to \$1,000.00 yearly, invoiced quarterly at \$250.00 per quarter and roughly \$8.43 a month.

#### **ADOPTION OF THE 2019 BUDGETS:**

Upon motion duly made by Dino DiTullio and by seconded Kara DiTullio and unanimously carried, the Board: (1) approved and adopted the 2019 budgets as presented with the Operation & Maintenance Increase of \$1,000.00 yearly; (2) authorized the appropriation of funds for the expenditures set out in the budgets; (3) authorized the President and the Secretary to sign the necessary documentation; and (4) directed the District Manager to file the budgets with the Division of Local Government prior to January 31, 2019.

#### **APPROVAL & RATIFICATION OF THE PROMISSORY NOTE:**

Mr. Johnson stated the Promissory notes required renewal yearly, Mr. Johnson noted the changes were the acceptance of Filing 1, amendment 3, Phase's 1-4 in the amount of \$4,648,992.80 and interest applied, After further discussion on the matters and;

Upon motion duly made by Dino DiTullio, seconded by Mike DiTullio and unanimously carried, the Board approved the current Promissory Note.

#### **DISTRICT LEGAL COUNSEL REPORT:**

Mr. O'Leary stated he had nothing to report at this time.

#### **DISTRICT MANAGERS REPORT:**

Mr. Johnson was asked to just hit a few points of his report.

1. **General District items:**
  - a. Short term rentals in STMD, Town of Timnath came up with procedures and STMD will follow the same.
  - b. Have taken on new area, "Tallgrass" this will be added to the budget for residents paying the O and M fees and adding maintenance and long-range replacements to our current budgets. District brings on new areas every now and then and this adds on all the same cost and revenue as the other areas.
  - c. Changing out 7 areas that are mulch at this time and replacing with cobble stone, in 2019.
  - d. Will check for dead trees this spring and arrange for R and R, when budget allows.

- e. Issue on site drainage: We have been cleaning detention ponds, inlets, outlets, drain pans and regrading areas for water issues.
- f. Detention ponds working as designed. Have products put in every 3 or 4 weeks and Detention ponds: Aquatron and sludge remover are now being added to the detention ponds, as part of the maintenance program. Seems to work, very expensive. Also, a licensed company sprays Detention ponds every 4 to 6 weeks for several kinds of grasses and algae.
- g. Get a lot of trash in detention ponds. Clean out every two weeks. Trash cans in area blow over and a lot of trash ends up in detention ponds.
- h. Play grounds on site, will be inspected and repairs made if needed.
- i. Someone drove a large ATV or a vehicle into the native area along the trail for the third time, put in a lot of tire ruts. Will set up to repair and re-seed areas.

2. **Web Site:**

- a. Keeping site up.

3. **Tract M; Community Center & Pool and Park:**

- a. Power wash community center once a month in winter and twice a month in summer.
- b. Power wash parks once a month.
- c. Pool hours are the same 10:30 am to 8:00 pm during the summer, once school starts fourth week of August, then hours moves to open at 3:30 pm to 7:30 pm weekdays and on the weekends 10:30 am to 7:30 pm. Also Mr. Johnson wanted the board to be aware that the local school system is looking at extending hours to 3:50 or 4:00 pm. If this is changed the District might have to change pool hours for guard coverage.
- d. Need to add money yearly to reserves for maintenance and replacement cost at Community Center. Fitness equipment will need replacements soon.
- e. Carpets set up to be cleaned 4 times a year. Have re-place carpet in high traffic areas.
- f. This spring working on playground in pool area, fixing minor items.
- g. Every year have pool play ground inspected.
- h. Will look at drainage issues in pool area.
- i. Will look at adding another heater in pool pump room.
- j. Will need to service pumps for aerators in Pond 2.
- k. Will add two more-disc goals.
- l. Looking to add poles for Volley ball court.

Mr. Johnson brought up;

Next meeting to be held March 14<sup>th</sup>, 2019 at 10:30 am and Nov. 7<sup>th</sup> 2019 at 10:30 am.

(Meeting dates and times subject to change)

Occasionally meeting's may be added, but as always notices will be posted at least 72 hours before meeting.

**APPROVAL OF MEETING MINUTES:**

Mr. Johnson stated that the board had agreed to take a few minutes recess to allow the minutes of this meeting to be completed and review, Mr. Johnson stated that the minutes must be approved by the Board of Directors in order to be made public and posted to the website, and with the increase of the Operation and Maintenance fees Mr. Johnson felt it was best to have the minutes public as soon as possible. After review of the meeting minutes

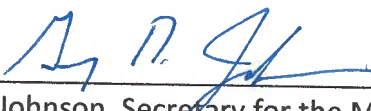
Upon motion duly made by Dino DiTullio and seconded by Kara DiTullio and unanimously carried, the Board approved the meeting minutes of November 08, 2018.

**ADJOURNMENT:**

Following no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded Director Mike DiTullio and unanimously carried, the Board adjourned the joint organizational meeting of the Board of Directors of the South Timnath Metropolitan District Nos. 1 & 2 at 11:40 a.m.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of South Timnath Metropolitan District Nos. 1 & 2.

  
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Guy D. Johnson, Secretary for the Meeting

Next meeting to be held March 14<sup>th</sup>, 2019 at 10:30 am and Nov. 7<sup>th</sup> 2019 at 10:30 am.  
(Meeting dates and times subject to change)